

Members

Rep. William Crawford, Chairperson
Rep. William Bailey
Rep. Charlie Brown
Rep. Ralph Ayres
Rep. Vaneta Becker
Rep. David Frizzell
Sen. Patricia Miller
Sen. Robert Meeks
Sen. Joseph Zakas
Sen. Rose Antich
Sen. Samuel Smith, Jr.
Sen. Vi Simpson



SELECT JOINT COMMITTEE ON MEDICAID OVERSIGHT

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Authority: P.L. 130-1998

MEETING MINUTES¹

Meeting Date: August 12, 1999
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington St.,
Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Rep. William Crawford, Chairperson; Rep. Charlie Brown; Rep. Ralph Ayres; Rep. Vaneta Becker; Sen. Patricia Miller; Sen. Robert Meeks; Sen. Joseph Zakas.

Members Absent: Rep. William Bailey; Rep. David Frizzell; Sen. Rose Antich; Sen. Samuel Smith, Jr.; Sen. Vi Simpson.

Rep. Crawford called the meeting to order at 1:15 P.M. Committee members introduced themselves. Rep. Crawford noted that at today's meeting, the Committee would identify issues to discuss at future meetings and would not focus on any particular issues at this meeting.

Reimbursement Reports

Mary Simpson from EDS presented Committee members with a handout detailing reimbursement statistics (see Exhibit 1) and explained each page of the handout. In response to Sen. Meeks' question, Ms. Simpson agreed to determine the dollar value of denied claims. She confirmed that EDS is in compliance with state law by processing all paper claims within 30 days

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

of receipt and all electronic claims within 21 days of receipt. She noted that most claims are processed within one week. Regarding Rep. Brown's question as to why claims processing times are decreasing, Ms. Simpson noted that seasonal variations play a large role. She then explained the difference between suspended claims and denied claims. Rep. Becker asked why the number of suspended claims increase greatly every 3-4 weeks. Ms. Simpson indicated that claims that are in process at the end of each month are recycled, thus leading to higher counts. Rep. Brown asked if the numbers represented all categories of claims. Ms. Simpson confirmed that all categories of claims were represented. Rep. Brown asked if the numbers could be broken down by type of claim. Ms. Simpson stated that she would attempt to do this in time for the Committee's next meeting.

Ms. Simpson then discussed participation of dentists in the Medicaid program. The Committee briefly discussed establishing a standard for an ideal number of participating dentists. Ed Popchreff of the Indiana Dental Association noted that the Association's goal is to attract 75% of dentists in the state to participate. He related that currently, approximately 50% of the state's dentists participate in the Medicaid program. Sen. Miller observed that one remaining problem is a lack of trust in the program. Rep. Crawford asked if Ms. Simpson could categorize those who are eligible to participate by age, and Ms. Simpson agreed to do so.

Case-Mix Reimbursement Report

Kathy Gifford of OMPP told Committee members that implementation of the case-mix system is going smoothly. Asked whether the medians were decreasing, Ms. Gifford recounted that a minimum level has been established below which the medians will not be allowed to fall. Vince McGowen of the Indiana Health Care Association noted that the medians had dropped at one point, but that inserting minimums appears to have helped. Sen. Meeks asked for additional reporting on the case-mix system.

Children's Health Insurance Program (CHIP)

Nancy Cobb, Director of CHIP, presented Committee members with a folder of handouts that she then explained (see Exhibit 2). She asserted that CHIP should be viewed as a health insurance program, not a social services program. Rep. Crawford declared that Indiana looks good compared with other states in implementing CHIP programs, but that the state still needs a good database of statistical information. Ms. Cobb suggested that a survey that her office is currently conducting might serve as the basis for a database. In response to questions by Sen. Meeks, Ms. Cobb reported that there will be cost-sharing with parents in the next phase of implementation, and that premiums will be \$180 per year for families earning 150% to 175% of the federal income poverty level, and \$270 per year for families earning 175% to 200% of the federal income poverty level. Ms. Gifford declared that the cost to the state to expand Medicaid coverage to those families earning up to 200% of the federal income poverty level is \$27 million per year. Rep. Crawford observed that the federal legislation caps the amounts that states must spend on the program at the level the state spent during 1994. Rep. Brown remarked that, while Indiana's program appears far superior to those in California, Colorado, and other states, the CHIP office must work with other agencies to make CHIP less of a social services program.

Ms. Cobb then reviewed the membership of the Health Policy Board. Rep. Crawford stressed that this board is supposed to be a planning and policy board. Rep. Brown asked if the board received any external or consumer input. Ms. Cobb responded that the proposed benefit package had public input, and that the statute passed during the last legislative session regarding the CHIP program requires at least three public hearings each year. She added that the Medicaid Advisory Committee provides advisory support to the Health Policy Board. Rep. Crawford related that there appears to be a lack of clear understanding of the board's role in the implementation process. He announced that at a future meeting, the Committee will discuss an analysis of each state's CHIP program. He suggested that Committee members need to better

understand co-payment differentials, especially that between most providers and chiropractors.

Access to Pharmacies in Medicaid Managed Care

Ms. Gifford presented a handout to Committee members (see Exhibit 3). Rep. Crawford explained his concern that not all pharmacies in the Medicaid managed care programs are within walking distance of Medicaid participants, and that many of these participants lack transportation. He suggested that pharmacy participation should be uniform throughout the state and that there should be an "any willing provider" law that would allow any pharmacy to participate in the Medicaid program if that pharmacy was willing to accept the conditions for participation. Rep. Brown noted that a person might spend more money to ride to a participating pharmacy than to walk to one that is more conveniently located. The Committee and others in attendance then briefly discussed why certain pharmacies participate in the Medicaid program in some areas of the state but not in others. Rep. Crawford asserted that the Committee needs specific geographic data and that it makes more sense to be able to go to any pharmacy rather than only specific ones. He announced that the Committee would deal with this topic in depth at a future meeting.

Other Business

Bruce Melchert of Clarian Health informed the Committee that Clarian and OMPP were in negotiations regarding reimbursement claims dating from 1990 to 1994 in an amount of nearly \$19 million dollars (see Exhibit 4). He indicated that the two sides were making good progress.

Rep. Becker asked if OMPP was complying with the development of drug formularies as provided in HEA 2035-1999. Ms. Gifford disclosed that the Drug Utilization Review Board reviewed existing formularies on July 1st and July 23rd and suggested few changes. She asserted that OMPP is implementing the new law. Rep. Becker asked how the new law would affect Medicaid patients. Ms. Gifford stressed that OMPP wants patients to have access to medically necessary drugs, and that grievance procedures are in place for any patient who is not receiving drugs that the patient or the patient's physician believe are medically necessary. Rep. Brown expressed concern that the legislative intent of HEA 2035-1999 was not being followed. The Committee agreed to discuss this issue in greater detail at its next meeting.

Sen. Meeks suggested that the Committee examine why OMPP has not filed a waiver for mental illness, and Rep. Crawford agreed to place that item on the agenda for a future meeting. Rep. Becker asked for an update regarding whether OMPP was paying for Viagra when the drug is considered medically necessary. Ms. Gifford reported that OMPP has not changed its policy in the past year, and does not pay for Viagra regardless of whether it is considered medically necessary.

Rep. Crawford asked for an update on the Parkview facility and asked if it still served HIV patients. Sen. Meeks noted that, while the state has a Medicaid waiver for traumatic brain injury, he feels that the funding level is too low. The Committee agreed to examine this issue at its next meeting.

Rep. Crawford announced that the Committee's next meeting will take place on Wednesday, September 8th at 1:00 P.M. He then adjourned the meeting at 2:40 P.M.